

§ 304.3

all federal and State financial assistance reporting requirements and the conflicts of interest provisions set forth in § 302.17 of this chapter.

(d) *Operations.* (1) The District Organization shall engage in the full range of economic development activities listed in its EDA-approved CEDS. These activities may include:

(i) Coordinating and implementing economic development activities in the District;

(ii) Carrying out economic development research, planning, implementation and advisory functions identified in the CEDS; and

(iii) Coordinating the development and implementation of the CEDS with other local, State, federal and private organizations.

(2) The District Organization may at its option contract for services to accomplish the activities listed above.

[70 FR 47019, Aug. 11, 2005, as amended at 70 FR 74195, Dec. 15, 2005]

§ 304.3 District modification and termination.

(a) *Modification.* Upon the request of a District Organization and with the concurrence of the State or States affected (unless such concurrence is waived by the Assistant Secretary), EDA may modify the geographical boundaries of a District, if it determines that such modification will contribute to a more effective program for economic development.

(b) *Termination.* EDA may, upon sixty (60) days prior written notice to the District Organization, member counties and other areas determined by EDA and each affected State, terminate a Region's designation as an Economic Development District when:

(1) A District or District Organization no longer meets the requirements of §§ 304.1 or 304.2; or

(2) EDA determines that the District Organization fails to execute its CEDS according to the development, implementation and other performance measures set forth therein; or

(3) A District Organization has requested termination.

(c) Prior to terminating a District Organization under paragraph (b)(2) of this section, EDA will consult with the District Organization and consider all

13 CFR Ch. III (1–1–06 Edition)

facts and circumstances regarding the District Organization's operations. EDA will not terminate a District's designation based on circumstances beyond the control of the District Organization (e.g., natural disaster, plant closure, overall economic downturn, sudden and severe economic dislocation, or other situation).

(d) EDA may further modify or terminate a Region's designation as a District according to the standards set forth in an FFO.

[70 FR 47019, Aug. 11, 2005, as amended at 70 FR 74196, Dec. 15, 2005]

§ 304.4 Performance evaluations.

(a) EDA shall evaluate the management standards, financial accountability and program performance of each District Organization within three (3) years after the initial Investment award and at least once every three (3) years thereafter, so long as the District Organization continues to receive Investment Assistance. EDA's evaluation shall assess:

(1) The continuing Regional eligibility of the District, as set forth in § 304.1;

(2) The management of the District Organization, as set forth in § 304.2; and

(3) The implementation of the CEDS, including the District Organization's performance and contribution towards the retention and creation of employment, as set forth in § 303.7 on this chapter.

(b) For peer review, EDA shall ensure the participation of at least one (1) other District Organization in the performance evaluation on a cost-reimbursement basis.

PART 305—PUBLIC WORKS AND ECONOMIC DEVELOPMENT INVESTMENTS

Subpart A—General

Sec.

305.1 Purpose and scope.

305.2 Award requirements.

305.3 Application requirements.

305.4 Projects for design and engineering work.

Subpart B—Requirements for Approved Projects

- 305.5 Project administration by District Organization.
- 305.6 Allowable methods of procurement for construction services.
- 305.7 Services performed by the Recipient's own forces.
- 305.8 Recipient-furnished equipment and materials.
- 305.9 Project phasing and Investment disbursement.
- 305.10 Bid underrun.
- 305.11 Contract awards; early construction start.
- 305.12 Project sign.
- 305.13 Contract change orders.
- 305.14 Occupancy prior to completion.

AUTHORITY: 42 U.S.C. 3211; 42 U.S.C. 3141; Department of Commerce Organization Order 10-4.

SOURCE: 70 FR 47019, Aug. 11, 2005, unless otherwise noted.

Subpart A—General**§ 305.1 Purpose and scope.**

Public Works and Economic Development Investments ("Public Works Investments") intend to help the nation's most distressed communities revitalize, expand and upgrade their physical infrastructure to attract new industry, encourage business expansion, diversify local economies and generate or retain long-term private sector jobs and investments. The primary goal of these Investments is the creation of new, or the retention of existing, long-term private sector job opportunities in communities experiencing significant economic distress as evidenced by chronic high unemployment, underemployment, low per capita income, outmigration, or a Special Need. These Investments also intend to assist communities in attracting private capital investment and higher-skill, higher-wage job opportunities and to promote the successful long-term economic recovery of a Region.

§ 305.2 Award requirements.

(a) *Project scope.* Public Works Investments may fund the following activities:

- (1) Acquisition or development of land and improvements for use in a

public works, public service or other type of development facility; or

- (2) Acquisition, design and engineering, construction, rehabilitation, alteration, expansion, or improvement of such a facility, including related machinery and equipment.

(b) *Requirements.* A Public Works Investment may be made if EDA determines that:

- (1) The Project will, directly or indirectly:

- (i) Improve the opportunities for the successful establishment or expansion of industrial or commercial plants or facilities in the Region where the Project is located;

- (ii) Assist in the creation of additional long-term employment opportunities in the Region; or

- (iii) Primarily benefit the long-term unemployed and members of low-income families in the Region;

- (2) The Project will fulfill a pressing need of the Region, or a part of the Region, in which the Project is located; and

- (3) The Region in which the Project is located has a CEDS and the Project is consistent with the CEDS.

- (c) Not more than fifteen (15) percent of the annual appropriations made available to EDA to fund Public Works Investments may be made in any one (1) State.

§ 305.3 Application requirements.

(a) Each application for Public Works Investment Assistance must:

- (1) Include evidence of eligibility, as provided in part 301 of this chapter;

- (2) Include, or incorporate by reference, a CEDS (as provided in § 303.7 of this chapter);

- (3) Demonstrate how the proposed Project meets the criteria of § 305.2; and

- (4) Demonstrate how the proposed Project meets the proposal evaluation criteria set forth in § 301.8 of this chapter.

(b) The Investment Rate for Public Works Investments will be determined in accordance with § 301.4 of this chapter.